

THE
AMERICAN INVASION.

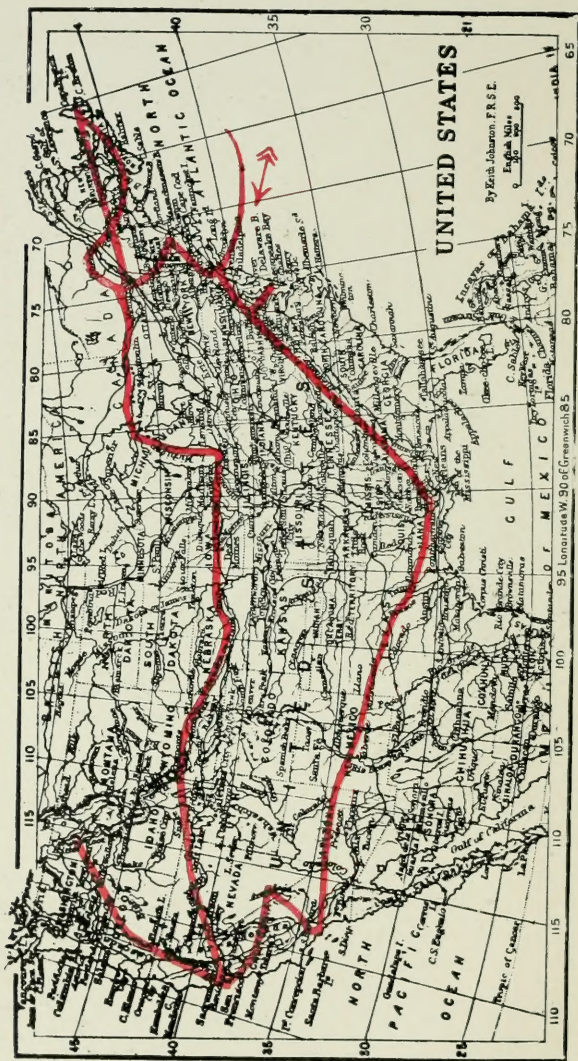
SIR C. FURNESS, M.P.



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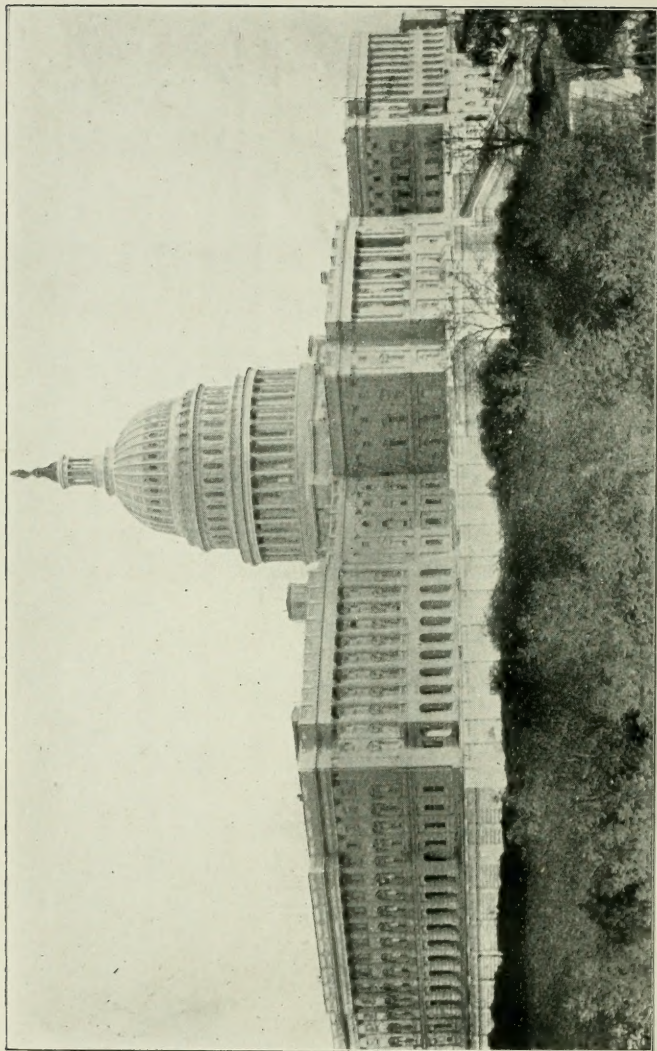


THE RED LINE ON MAP INDICATES THE ROUTE FOLLOWED.

THE AMERICAN INVASION.



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THE AMERICAN INVASION

BY

SIR CHRISTOPHER FURNESS, M.P.

WITH ILLUSTRATIONS.

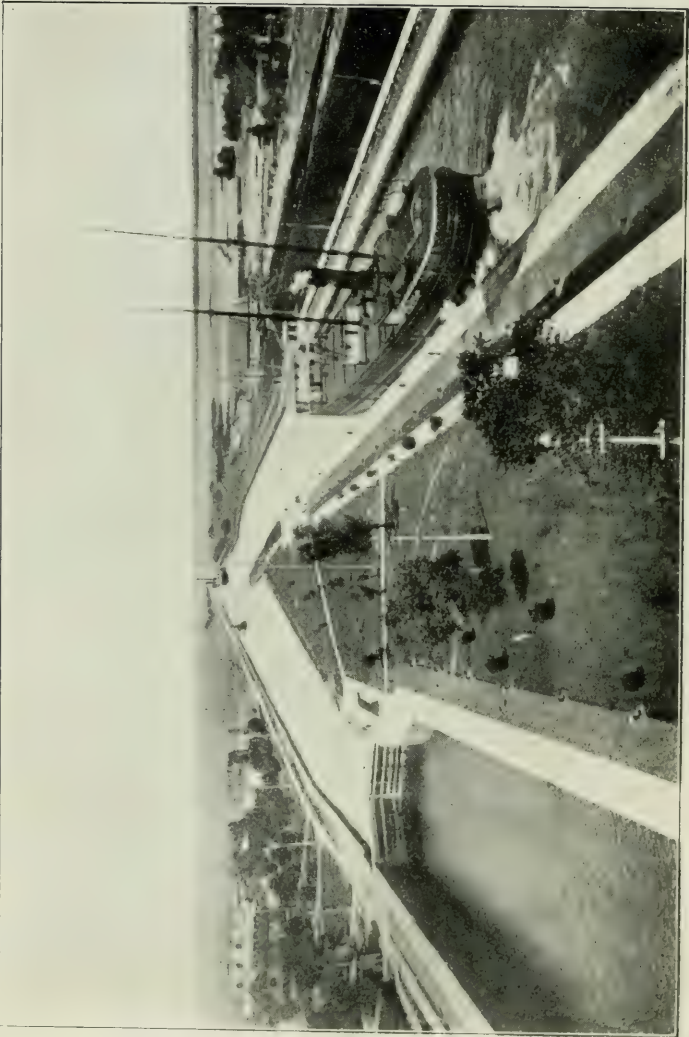
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VIEW OF LOCH (SAULT STE. MARIE).

PREFACE.

I HAVE been asked by many friends to amplify my articles and speeches on the "American Invasion."

I have decided only to issue in book form the article which appeared in the *Pall Mall Magazine* for March (which I reprint by the kind permission of the Proprietors) and the lecture delivered to my constituents in the Hartlepoons.

I repeat, that in my opinion there is no reason to think England's commerce is in a state of decadence.

There is an enormous amount of capital here for investment—to stimulate, foster and support the inventive powers, the industrial and commercial enterprise of the people.

We have men of great ability, knowledge and experience in all branches, to lead, advise, and instruct us.

Englishmen have the opportunity of being educated at a moderate cost, and above all, I trust and believe, still possess those qualities of indomitable perseverance, intelligence, practical wisdom, and that spirit of adventure and capacity for work which have built up our Empire.

All careers are said to be overcrowded. I do not believe it. If there are more workers, there is more work to do. If there are more earners there is more money to earn and more opportunities to earn it.

These opportunities grow with the increase of population throughout the Empire.

No power can prevent the young, educated man from achieving some kind of success, but persistent work and effort are essential. The young must learn, and the middle-aged and old must encourage and help them, must have open minds, receptive to new ideas and to the spirit of the age—Progress.

Improvements must be fearlessly carried out; individual enterprise assisted.

All our advantages, natural, physical, mental, political and commercial must be thoroughly utilised. All our weaknesses and errors fearlessly discussed, and corrected.

On these lines only can the American Invasion be triumphantly defeated, and England's commercial and industrial position maintained.

C. F.

GRANTLEY HALL, RIPON,
YORKSHIRE.

May, 1902.

The American Invasion.

It would be quite out of place to attempt in these pages a lengthy and exhaustive account of the natural economic and scientific causes of what, for want of a better term, may be called the "American Invasion," which has created so vivid a sensation and apprehension in the Old World.

Almost simultaneously with the appearance of the United States as a conquering and colonising power, Europe has been appalled by the sight of America bursting her bonds and stepping armed cap-à-pie into the arena as an industrial giant of almost irresistible power, with the openly proclaimed determination to conquer the world's markets and gain universal commercial supremacy. Not only are we to receive America's raw materials, cotton, petroleum, grain, timber, copper, etc., as we gratefully do, "not grudgingly, but of necessity"—but we are also to be beaten on our own hearth, and to take by compulsion the manu-

factured articles, from steel and machinery down to the boots on our feet.

Is this fear justified by facts? Are we doomed to a subordinate commercial position?

The developments of American industry and commerce are so well known, if not fully appreciated hitherto by Englishmen, that one salient and striking instance will illustrate the state of affairs.

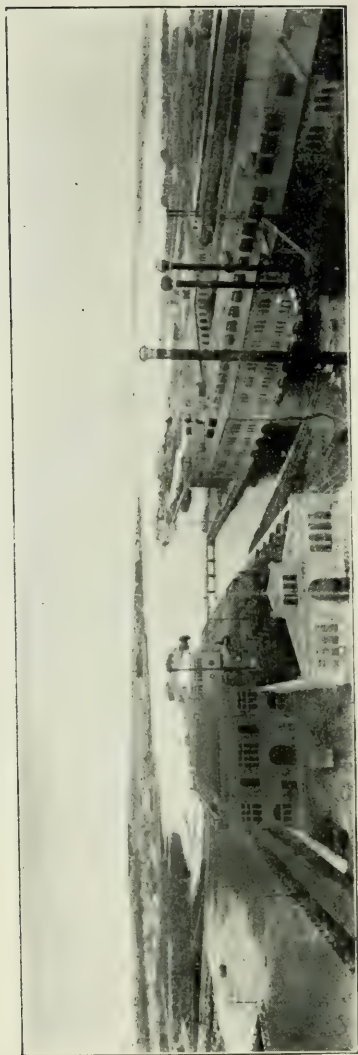
Lord Beaconsfield, with his inimitable gift of crystallising a world of facts into a striking phrase, said that the quantity of chemicals consumed by a nation was an index of its progress, prosperity and civilisation. It appears, however, to me that the production and consumption of pig-iron, that indispensable requisite of the world, is a more accurate gauge.

PIG-IRON THE INDEX OF A NATION'S PROGRESS.

The production of American pig-iron in tons is as follows. In—

1860	1870	1880	1890
121,223	1,665,179	3,835,191	9,202,703
1900	1901 (<i>approximate</i>).		
13,789,242	16,000,000		

These marvellous and almost incredible figures are alone a striking record of the



VIEW OF WORKS (SAULT STE. MARIE).

astounding progress of industry in the United States of America. They mean that the unparalleled and unique natural resources and industry of the United States have practically increased as 120,000 are to 16,000,000—surpassing the most wonderful record—15,000,000 tons having been consumed in the Union.

It is difficult to realise the labour, knowledge and skill, required for the production—and the immense increase of population for the consumption—of these stupendous quantities; because it must not be left out of consideration that every ton of this iron has been turned to some useful purpose for the benefit of mankind, in the shape of railways, ships, buildings, and the thousand-and-one uses to which iron and steel are put.

The production of pig-iron in England is in—

1898	1899	1900	1901
8,631,151	9,305,519	8,908,690	8,200,000

A comparison of these with the American figures would account for the spirit of pessimism, of almost hopelessness concerning the industrial future of England, which is so striking in the expressed opinion of to-day.

These figures would seem to indicate that, while America is advancing by leaps and bounds, the United Kingdom is entering on the downward path of industrial decadence; because the American production in 1901 was almost $2\frac{1}{2}$ millions more than in 1900 (notwithstanding two months' strike) whereas the English was nearly one million less (viz. 708,690 tons) in 1901 than 1900.

Gauged by the iron consumption, the United Kingdom, while increasing rapidly in population, is falling off in production and in labour—which means that she is earning less to maintain herself than America, whereas America, with an increasing population, is earning proportionately more money.

HOW ENGLAND IS HANDICAPPED.

This is indeed a striking state of affairs, and calls for an examination of the circumstances which cause it.

The American has an incalculable advantage in the shape of raw material in boundless profusion; of copper, iron ore, timber, sugar, coal, resin, etc.—all of the best quality—

obtainable at a low cost; and above all, of food in unlimited supplies.

America has also, through her production of the precious metals, through her industry and the prolific crops of her soil, a large and accumulated capital. This, combined with a limitless credit and an enormous annual surplus, enables her merchants fully to develop her natural resources. Capital is always obtainable for profitable undertakings, because the nation's attention is practically concentrated on commerce.

But our own resources are so great that, were we not handicapped by excessive mineral rents and royalties, and also by excessive railway rates arbitrarily levied by monopolist railway companies, we could, I am convinced, hold our own against all comers.

As indicating how great a handicap these mineral rents and royalties are to our steel and iron trades, I may say that Mr. C. M. Percy, M.I.M.E., F.G.S., Lecturer at the Wigan School of Mines, in a pamphlet published in 1890 (and the position is much the same to-day), analysed the evidence given before the Royal Commission on Mineral Rents and

Royalties; and, as the result of that analysis, he came to the conclusion that the royalties, etc., on coal throughout the United Kingdom averaged 8d. per ton.

Including the royalties on ironstone, etc., it would to-day, I believe, be a conservative estimate to put the mineral rents and royalties of this country at £6,000,000 per annum. Sir Charles Mark Palmer, M.P., one of the Royal Commissioners, said that he knew one colliery in Northumberland which, on an output of 650,000 tons a year, paid a royalty of 10d. per ton, or upwards of £27,000 per annum.

One of the greatest evils is that of overpaid rents—that is to say rents paid for minerals which by reason of causes beyond their control the owners cannot work during the term of their lease. “One exceptionally well managed colliery firm in Lancashire,” says Mr. Percy, “has alone paid over £300,000. Another Lancashire firm went into liquidation which had paid £80,000 in overpaid mine rent.” And he gives it as his opinion that “the actual amount now standing (1890) as overpaid mine rents is certainly hundreds of thousands, and it may be even millions of pounds.”



PIER AT SYDNEY, WITH STEAMER READY TO LOAD.

As regards ironstone royalties, Mr. Percy puts them at from 2s. 6d. down to 6d. per ton.

THE ENORMOUS ROYALTIES LEVIED.

Summarising a statement sent him by Mr. John Dennington, Secretary of the Cleveland Mine Owners' Association, Mr. Percy shows that in the thirty-seven years ending 1886, the total output of ironstone for the Cleveland district was 130,909,946 tons, on which £3,000,000 had been paid in royalties. "From this," he adds, "40,000,000 tons of Cleveland pig-iron was made, on which the total amount of royalty paid on the ironstone, and the coal (and the limestone reckoned at three-halfpence per ton), has been £6,000,000." Again he says: "The mining industry has been depressed . . . for ten years, up to 1888, and during that period wages have been quite low enough, colliery proprietors' and mine workers' profits, taking them all round, have scarcely been visible, and royalty owners have received upon coal and ironstone and limestone certainly not less and probably more than £60,000,000, out of a very considerable portion of which nothing has gone for local rates, whilst

the two other parties, colliery proprietors and colliery workmen, have had to pay all local calls. It appears," he adds, "that under a special Act of Parliament ironstone workers are empowered to deduct one-half of all local rates from mine royalties, but this Act does not apply to coal mines." Why not? The working of the royalty necessitates the presence of some thousands of miners. The presence of these miners necessitates public expenditure on such local services as roads, paving, street-lighting, sanitation, police, schools, and water-supply. The miners cannot live in the district, and therefore the royalty cannot be worked, unless such services be provided. Surely, then, it is not asking too much to require that in this respect the receivers of coal royalties shall be put on the same footing as the receivers of ironstone royalties.

ROYALTIES IN FRANCE AND GERMANY.

Most instructive is Mr. Percy's comparison showing "on the authority of the Royal Commission on the Depression in Trade, how mineral royalties oppress English iron and steel makers, and do not oppress those with whom

we have an ever-increasing competition. In Germany," he says, "which in many industries has been of late years a very keen, and too often a successful competitor, the ownership of coal is vested in the State, and also the iron ore. The royalty on coal is fixed at 2 per cent. on the profits of the undertaking, and on iron ore there is no royalty at all. No objection on the part of the owner of the soil is allowed to prevent the mineral on his property being worked, such prohibition being considered as inconsistent with the interests of the nation. In France . . . all coal and ironstone belongs to the State. The fixed rents are indeed nominal, amounting to $\frac{1}{2}$ d. per acre, and the royalty is based upon 5 per cent. of the profits. Supposing that we in England make 2s. a ton profit upon our coal—a sum which would represent, say about £20,000,000 a year; or, even supposing we made no profit at all, our royalty charges would average approximately 8d. per ton. But if a German colliery proprietor realises 2s. profit a ton, his royalty would be about $\frac{1}{2}$ d. per ton, and his French rival would have a charge of $1\frac{1}{4}$ d. If neither of them made any profits, neither of

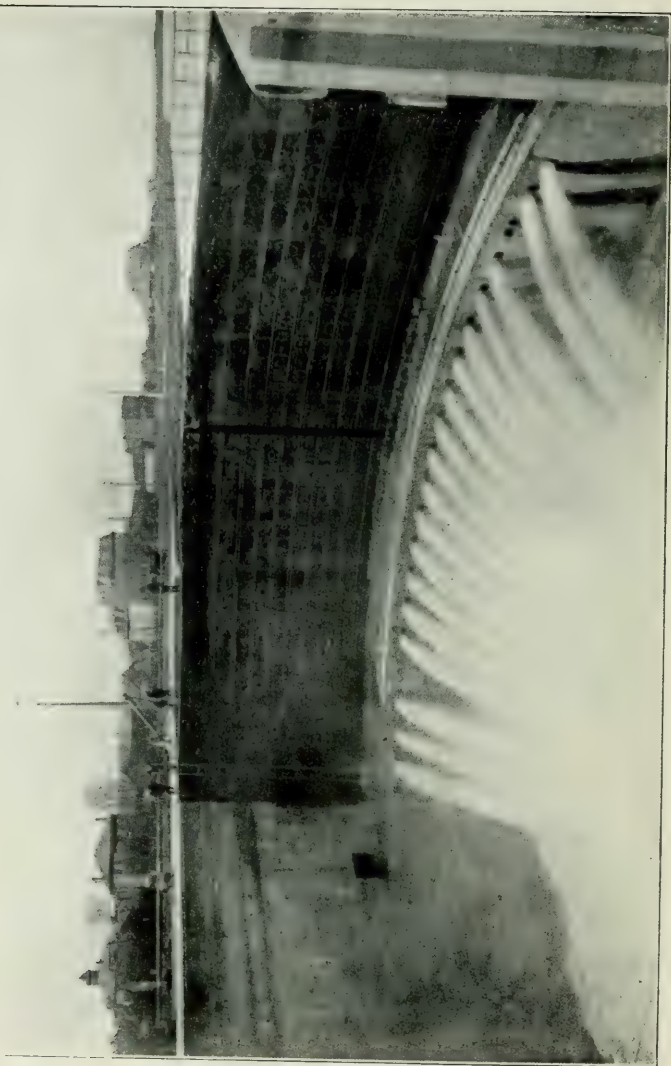
them would pay any royalty at all." In Belgium and Spain also the minerals belong to the State, and the royalty charges are very light, that on coal in Belgium being $2\frac{1}{2}$ per cent. on the profits.

We may summarise as under his statement of the burdens borne by our three leading industries as compared with the charges upon the same industries on the continent :—

	France.	Germany.	England.
	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
Pig-iron (per ton)	0 8	0 6	4 6
Ship plates „	1 1 $\frac{1}{2}$	1 0	5 9
Steel rails „	0 11	0 8 $\frac{1}{2}$	5 6

A WARNING TO THE "GENTLEMEN OF ENGLAND."

In America, as a rule, the minerals are owned by those engaged in working them, and they thus escape royalty charges and all vexatious covenants and restrictions, such as those to which the iron and steel trade is exposed in this country. In addition to this there are, of course, heavy protective duties. But for these, and but for the fact that it has absolute control of such vast mineral deposits, the Steel Trust, which is now threatening our steel and iron trade with incorporation or



FILLING THE UNDER CHANNELS OF POE LOCK, PREPARATORY TO OPENING FOR NAVIGATION.

extinction, could not possibly maintain its proud position. This fact is being more and more clearly realised in the States, where the feeling against the Trusts is gathering strength.

I am not the man to support any wild and revolutionary theories of confiscation, but the mineral rents and royalties of this country are undoubtedly excessive, and I would warn the "gentlemen of England" that property has duties as well as rights, and that if, while shirking those duties, as in the manner of local rates, they impose on trade and industry burdens grievous to be borne, which they themselves touch not with one of their little fingers, they will only have themselves to thank should such theories become more and more popular. The miners work for the wages they receive; the colliery owners also earn their profits, when they get them, and those profits over a term of years will not average over 5 per cent. on the capital worked. If therefore, special taxation is to be imposed upon those connected with the mining industry, it should surely be levied upon the royalty owners rather than upon the coal owners and the miners; for it is they, and not the

†

foreigner, who will have to pay the tax upon exported coal.

EDUCATION IN AMERICA AND ENGLAND.

The Americans are blest with a splendid system of education, and their country has some well-equipped and well-endowed universities—thanks to the unparalleled munificence of her rich men; and these educational advantages are applied by the poor and rich alike to their specific callings. I was much struck with the large number of highly educated and well-informed men devoting the knowledge they have acquired to their business; and I could not fail to contrast them with the sons of wealthy Englishmen, who by preference refuse to turn these educational advantages to business. Trade in America is esteemed as a calling; here it is looked upon as a means to a life devoted to games and sport, and to entering a circle of social distinction.

To avail ourselves of every possible improvement it is not only requisite that workmen should be educated, but it is, in my opinion, indispensable that a more practical education should be given those occupying

higher places. Although the workmen in many instances invent new tools or discover a method of economising both labour and material, it is the employer who must decide upon the purchase. It is his province to discriminate and gauge such matters at their real value. To do this, technical knowledge is required; and if he lacks the necessary education, or if, instead of applying himself to the practical side of production, he devotes an undue portion of his time during his youth to the elaborate study of the classics, he is handicapped in the world of commerce. These classics, although of great value in preparing the mind and polishing the intellect, will not enable him to cope with the difficulties of the ever-varying phases of manufacture and trade. The eloquence of Demosthenes may have affected Philip, but it would not have perfected the Davy lamp.

THE AMERICAN BUSINESS MAN.

It is undoubted that the energy, push, and restless activity of the business man and manufacturer is more marked in America than in this country, and keeps him alert as to

changes in the trading world, scientific developments and improvements, whereby he becomes a more efficient manager and salesman. To this is added the courage of experimenting, and the acute perception when machinery—though it be new—is deficient and can be improved upon, and the financial resource of daring to reject the comparatively inefficient for an improved type. He grasps the fact that immediate expenditure may result in an ultimate saving of cost; in other words, he realises that only the strongest industrially can survive; that the best and most modernly equipped works, managed by the most enlightened and scientific intelligence, must lead in the commercial struggle of the race for supremacy. His criterion is a profitable result. He does not work on preconceived ideas; he carefully examines them with a free and open mind before rejecting them; he unhesitatingly searches for an improved method, and when found unflinchingly adopts it.

The same enlightened spirit actuates him in his dealings with labour. He assures himself that the wages he pays secure the most efficient work. He allows no patriarchal feeling

to cloud his judgment. Where a more efficient workman is obtainable, he is procured, and room is found by displacing the less active and intelligent. He gladly and willingly pays good wages for good services (and whilst recognizing a minimum wage, he insists upon a minimum amount of work) and gives a premium for extra labour and efficiency. He pays extra wages, not only for overtime worked, but for extra work done.

THE BRITISH WORKMAN AND THE AMERICAN.

This attracts the best labour not only in America but from Europe. I do not maintain, nor do I think, that the American workman excels individually the Briton. On the contrary, I am told that frequently in American works, where the premium or bonus system exists, those that earn the highest wages are the Britons.

In the management, he (the American) again procures the best men, and in this capacity I am glad to have also met my own countrymen. Relatively money does not enter into his calculations. He wants the best, and knows there is only one way to obtain and retain it.

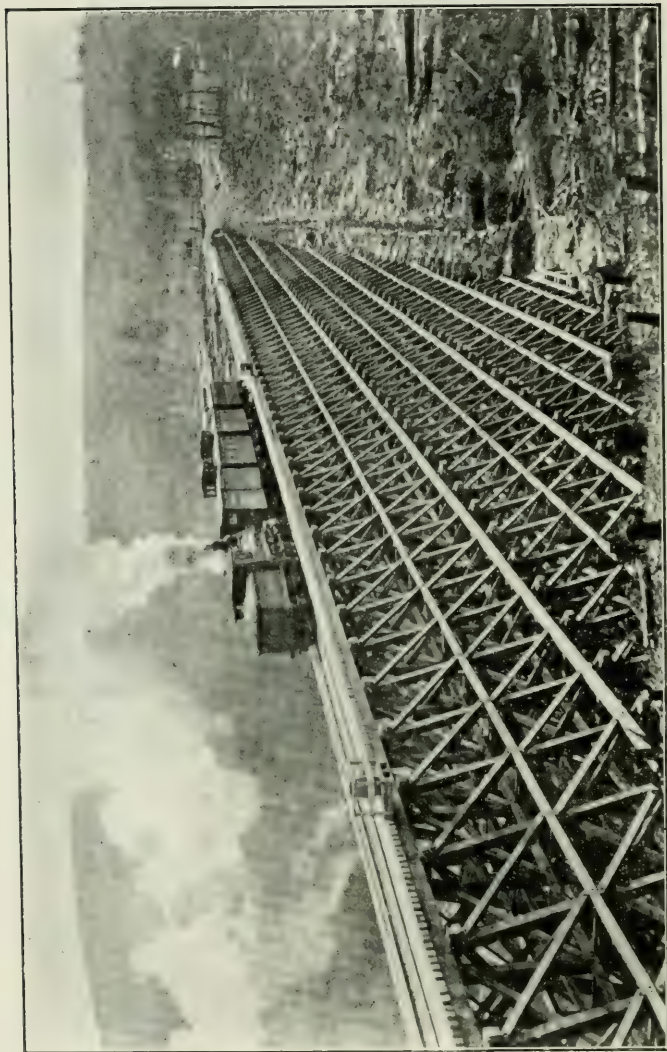
This is another important factor towards the achievement of his great object—viz., the most successful and highly profitable results possible. Age and length of service are not considered a guarantee of efficiency or a proof of capacity—and, on the other hand, are not a drawback or a disqualification.

The man is chosen for his ability, his energy, and his capacity. He knows what is expected of him—viz., unstinted work, successful organisation and profitable results—and that, if not successful, he will be unhesitatingly superseded.

The American manufacturer has an immense advantage in the transport facilities—*i.e.*, the larger locomotives and waggons, and the heavier trains—which unquestionably tend to cheapen transport, and to give greater facility and speed in handling material. In this respect, however, though immeasurably superior, they, like ourselves, are very far from perfection.

TOOLS, TRUSTS, AND THE STEAM CARRYING TRADE.

I was much struck with the wonderfully planned and organised facilities for handling



TRESTLE BRIDGE (SAULT S^{TE}. MARIE).

material: as, for example, at one works they have arrangements by which steamers of six to seven thousand tons are loaded or discharged in a few hours; the exact figures being, for a 6,400-ton vessel:

<i>Loading :</i>	time occupied	. 3 hrs. 45 min.
<i>Discharging :</i>	„ „	. 34 „

Again, the Americans display great ingenuity with tools. They have developed extraordinary cleverness in adapting them to save labour and secure accuracy.

In one branch of commerce, however, America undoubtedly takes inferior rank, and that is in the steam carrying trade—one in which the future is so closely wrapped. So far they cannot compete with us; and in order to ensure to themselves a portion of it, they have passed stringent Navigation Laws forbidding the carriage in foreign bottoms from one American port to another, and they are even talking of excluding us from carrying goods from an American port to the Philippines. It is good that our supremacy is undoubted, because the freight that we earn partly enables us to pay for the foodstuffs we

bring, it being immaterial whether our imports are paid for by goods or freight.

Nobody can be interested in American commerce without forming an opinion as to the morality and wisdom of trusts.

I unhesitatingly condemn all monopolies and combinations tending to unnatural prices. They are wrong and against national policy, and, I believe, bound to be ultimately unsuccessful. The United States Government failed to force up the price of silver; the Amalgamated Copper Company has egregiously failed to keep up the price of copper. Any group sufficiently financially powerful can by accumulating a non-perishable article, temporarily force up the price, but nobody can enable them to sell all these goods at the artificial figure thus reached.

ADVICE TO ENGLISHMEN.

To sum up:—

America has greater natural resources than Great Britain. America, spurred by the incentive to make her industry, has been more receptive of ideas than Great Britain; but I see no reason for the tinge of hopelessness

that, to me, is such a saddening feature in English writings on this subject.

Englishmen still have courage, perseverance, brains, capital, and the power of learning and improving their methods.

“Sweet are the uses of adversity,
Which, like the toad, ugly and venomous,
Wears yet a precious jewel in his head.”

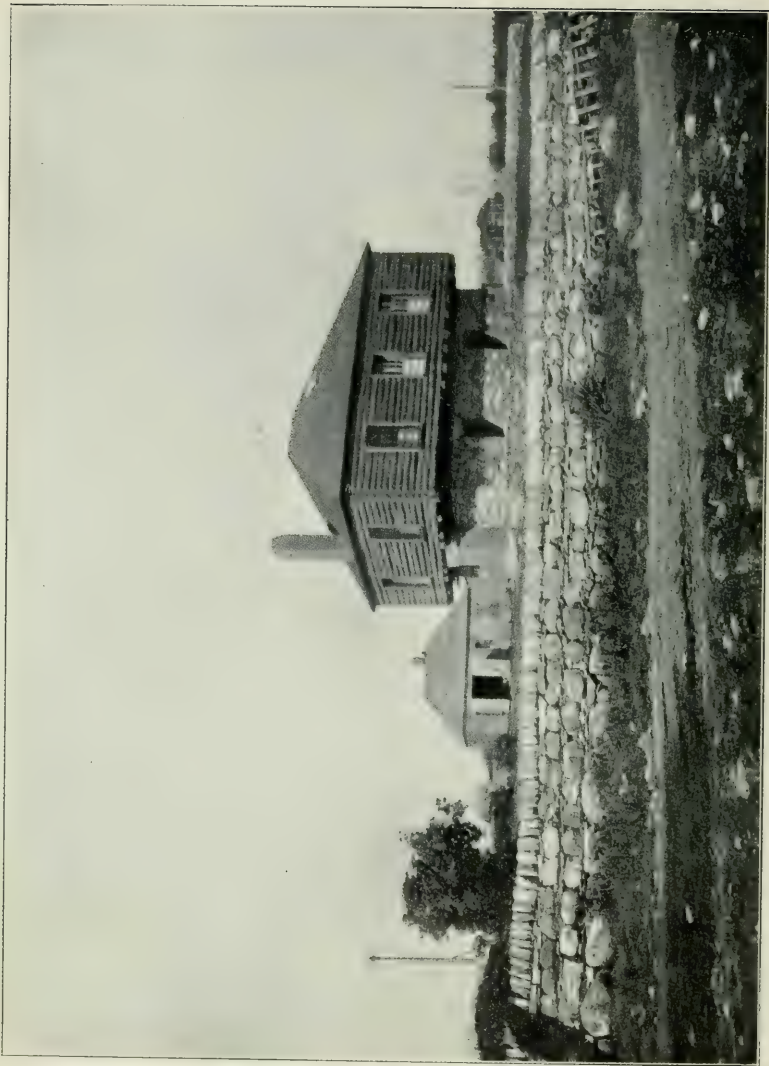
We require competition, opposition and adversity to grasp the, to us at one time incomprehensible fact, that we are neither omnipotent nor omniscient, that as our fathers have struggled to obtain supremacy, so we their sons must struggle to maintain it, and be determined that if America's natural advantages are unique and superior to ours, we will be their equals in commercial, mental, physical and political aptitudes. We can work, think, learn and speculate (I use this word as synonymous with enterprise), and we have a free and just form of Government.

THE POISON OF PROTECTION.

I recommend high thinking, strenuous mental and physical toil; and I earnestly warn

my countrymen against the poison of Protection, which is insidiously being instilled into our veins.

My opinion is, that all public men who desire the welfare of this nation should oppose what I may term the revival of Protection, or the interference of Government in favour of one portion of the community to the detriment of the other. Government (*i.e.* the State) must not take sides, but should leave commerce and industry to work out their own salvation. Opposition and competition are great incentives to progress, work and invention; whereas trades protected by import duties are inclined to become apathetic. The State must maintain law, order, and liberty, defending the weaker by proper supervision of conditions injurious to health and safety of life; but beyond this should not interfere. The object of Protection is to artificially foster by legislation the manufacture at home of certain articles by excluding similar articles produced abroad even at lower prices. Now, the public want to make their money go as far as possible, and to enhance prices in this manner is to inflict a wrong on them.



OLD HUDSON BAY POST AT THE CANADIAN SOO.

I contend that Protection in England would not pay commercially. To illustrate: We still hold the fort in shipbuilding. What is shipbuilding? It is the bringing together and working up in Great Britain of raw material obtained at the lowest price from different parts of the world—which operation involves a very large expenditure of wages. The steel in steamers is made from ore produced in Spain, Algiers, and Sweden; the brass from Spanish and American copper; spelter is produced in Germany, and tin obtained from Asia; the wood-work is made from lumber imported from Sweden, Russia, Canada, America, and our Colonies; the paint from Spanish, Australian, and American lead; the rope from Russian and Manilla hemp.

Now, to build a steamer at a satisfactory price, and to pay the immense wages bill, these articles must be bought at the lowest possible price. If Parliament with the object of protecting English lead, iron, copper, and tin mines, British forests, etc., were to impose import duties, the cost of the steamers would be increased, the demand would fall off, and the amount distributed in wages would be

materially reduced, whereas the whole community would suffer.

THE TAXATION OF LAND VALUES.

Again, many talk glibly on the iniquity of allowing the foreigner to send in cheap sugar, fruit, meat and other necessities of life. Is Parliament to be induced to advance the price of these in order to increase the means of a limited class of the community?

If it is desirable that the five million Londoners should have cheaper coal, it is obviously also desirable that they should not have the prices of the necessities of life increased. Taxation of these necessities is a curtailment of the income of the consumer. It seems to me ridiculous to assert that small import duties are not felt. Can five to twenty million pounds be raised out of our pockets without being felt?

If, then, no tax is to be levied on our exports, and no tax is to be levied on our imports, in the interest of the nation at large, how is the country to pay for the exceptional increased national expenditure? I see nothing for it but to take up the question of taxation

of land values—a question too large for me to go into on the present occasion.

Trade must be free and unhampered; a nation cannot sell unless it buys; it cannot protect one class without injuring another. Commerce is barter: the exchange of commodities we have and do not want for those we want and do not possess.

PROTECTION IN AMERICA.

A striking argument, I think, against Protection is America—the country *par excellence* of Protection. Her manufacturers induced Congress practically to prohibit the import of European manufactures, on the plea that she could not compete. Yet now she, by competing successfully with other nations, proves that her natural and other advantages are superior to those of other nations, some of whom, alarmed at her invasion, cry out for the prohibition of American imports into their countries.

But it would appear that the last word in this controversy is far from having been spoken. The returns of the Philippine trade for the last quarter of the year are comforting. They show that the trade supremacy of Great

Britain in the islands is increasing. *Imports* are valued at the total of \$7,854,333, of which the share of the United States was \$1,064,744. *Exports* for the quarter were \$5,575,634. Great Britain's share, both home and colonial, is by far the biggest of any country. Of the *Imports* England was responsible for \$903,175, British East Indies for \$1,057,399, and Hong Kong merchandise—most of which was from British traders there—for \$1,509,353. Out of the sum of one and a half million dollars which was collected for duty, English cotton paid all but two hundred thousand. In *Exports* England led the way with \$1,867,798,—the United States being no less than half a million dollars behind.

TRADES UNIONS.

Protection brings me on to Trades Unions. These, like most other things in this world, have a bad and good side. In my judgment they have enormously benefitted the working classes and thereby the whole community. They have made labour the equal of capital: the old class inferiority has vanished, I hope for ever.

Trades Unions have increased the dignity of

labour ; they have assisted the general development of Co-operative Societies. They have by electing their own Members of Parliament placed their views before the nation, and they have, thanks to the efforts of some of their leaders (some men of wisdom, moderation, foresight, and ability) enabled employers to discuss and amicably settle many points of difference. They have, above all, saved this country from the curse of political strikes and anarchical and destructive movements.

Labour in Great Britain knows that by its organizations their members have obtained, and will obtain, terms that favourably compare with their Continental brethren. The workman here by law can enforce his own terms when they are just.

But, alas ! there is another side of the shield. Perfection is impossible. The neo-unionism tyrannically opposes the introduction of labour-saving appliances and machinery, and by oppressive and restrictive edicts relating to the management of works, hampers trade, increases the cost of production and sends much work to other countries. This is another and suicidal form of Protection.

The cheaper and better we can produce, the more work we shall have. The more work we have, the more wages we can pay; the more wages we can pay, the better for the working classes and for the whole nation. I feel sure they will ultimately see the force of this argument, and recognize that labour and capital are allies—not foes. Those leaders who fail to advance this doctrine are not true to their calling.

This union of labour and capital, working harmoniously, produces wealth, happiness, and comfort. When they fight, the result is poverty, privation, and misery.

If we educate ourselves, if we avail ourselves of those advantages we have; if our masters attend to their business, if our workmen give a good day's work for a good day's wage, we shall not fail to maintain a prominent position in commerce. "Perseverance, self-reliance, energetic effort are doubly strengthened when you rise from a failure to battle again. Persist, persevere, and you shall find most things attainable that are possible."

LECTURE

DELIVERED BEFORE MY CONSTITUENTS

IN THE HARTLEPOOLS,

APRIL 3RD, 1902.



GOD AND ALTAR IN JOSS HOUSE, SAN FRANCISCO.

LECTURE.



WITHIN a short period of time it has been my lot to stand in Rome, the seat of government of what was the mightiest Empire of the past, and in Washington, the seat of government of the United States of America, which is regarded by many as a keen competitor of our country, and as probably the nation which will become one of the greatest world powers of the future.

In Italy one's thoughts revert to the past—a great, a splendid, and a glorious past. In America, the mind, noting the startling developments of recent years, projects itself into the future, and is dazzled with the latent possibilities of that mighty Empire, which Americans fondly hope may become, in the future, the great seat and centre of Anglo-Saxon government.

It is difficult, moreover, to realise that its birth as a nation took place in so comparatively

recent a time as that of the grandfather of the late Queen Victoria.

The area of the United States is about 3,570,000 square miles, and the population nearly seventy-seven millions. But these figures, striking as they are, give no adequate idea of its enormous industrial development as those which reveal the rapidly increasing growth in the output of pig-iron.

It is not necessary to dilate at any length on the enormous strides of American industry. They have been forced upon our notice by the severity of their competition with our own industries, and by the "American Invasion," as it is called.

It is a good sign, I think, that we are awakening to this fact, for we have been lulled by a sense of security and invincibility in our industrial pre-eminence and rendered blind to the possibilities of the fight, which waxes fiercer day by day and every day.

It is good, I repeat, that we are awakening to these facts, for Englishmen, although slow to recognize danger, when they do see it are dogged and determined that they will cope with it and overcome it, if possible.

It is the duty of every Englishman to acquaint himself with the conditions of the industries of other countries, and to do his little best to bring home the knowledge he has acquired to his fellow-countrymen; because I believe that Englishmen are not made of the stuff to stand beating on their own ground, and we are determined that the time has not yet come for the Old Country to shut up shop, as some of our racy American friends and well-wishers would have us believe, for they openly declare their intention of capturing our Markets, keeping us out of them, and making New York instead of London the Clearing House of the World.

Such is my text, rather a long one, I fear, and worthy of much more elaboration than I can hope to give it.

Now I have not asked you here to send you home with heavy hearts as to the future of our country. Although anxious, I assure you my heart is not heavy on the subject. I know the Old Country, I believe in the Old Country, and I think that the old saying "to be forewarned is to be forearmed," specially applies and appeals to Englishmen. If we will

but heed the warning, I have no fear for the future of our country and our Empire.

As you have paid me the compliment and done me the pleasure of meeting me, I hope we shall spend a pleasant hour together.

I wish also to express my appreciation of the lighter and pleasanter side of a visit to America, the great charm of personal acquaintance with Americans, and of the sights and the scenery of their beautiful country.

I selected for my passage last Autumn a German steamer, the s.s. *Deutschland*.

I did this, not from want of patriotism, but from what I considered to be the best way of studying foreign methods and arrangements, and so ascertaining what there is for us to learn.

Upon my decision becoming known, Herr Ballin, the able and eminent head of the Hamburg-American Line, and who, I am glad to see, was decorated the other day by his Sovereign, placed at my disposal with that courtesy which so distinguishes him, a most luxurious and comfortable suite of state rooms.

I much appreciated and admired the manner in which the ship was conducted, every



EAST RIVER FRONT, NEW YORK.

conceivable arrangement having been made for the comfort and convenience of the passengers.

She was the fastest passenger ship afloat when I crossed in her, but her record has since been beaten by the *Kron Prinz Wilhelm*, another German vessel.

Her length is 662 feet; breadth, 67 feet; and depth, 40 feet; with accommodation for 1,067 passengers.

She possesses a promenade deck 520 feet long, so that five times up and down constitutes a mile walk.

To many unfortunate people one of the drawbacks to an Atlantic voyage is a peculiar state of internal disturbance called "sea-sickness." I am not going to make any damaging admissions, preferring to leave you to draw your own conclusions, but I may tell you that I thoroughly enjoyed the very excellent cooking on board the steamer.

My first experience after a most enjoyable, though somewhat rough voyage, and upon arriving at Sandy Hook, was to meet the ubiquitous reporter.

Anxious as I am to avoid anything that might offend the susceptibilities of the Gentle-

men of the Press, for whose goodwill I have a sincere regard, I will not say that their zeal outruns their discretion, but there were few subjects which my American friend did not ask me about.

I felt that the visit was premature; my impressions were only commencing, but it is always advisable not to be brusque in such cases, and I did my best to satisfy him.

These Titans of the pen can take terrible vengeance in the columns next morning—and they have the inestimable advantage of the last word!

The district of Sandy Hook is the arena of the historic contests for the America Cup, which in truly English fashion—undaunted by defeat—we mean to recover.

On arrival at New York we were dealt with by what the Americans consider the bulwarks of their industry, viz. the Custom House Officials.

Of course, as you know, America has surrounded herself by a stone wall of Duties—that is to say, by imposing an Import Duty on goods going into America, so that her Manufacturers can sell their own at a high price.

Thus the consumer has to pay an enhanced figure for the commodities of life. This is such an exceedingly important point that I cannot leave it without a reference to our own country.

I regret that the anxiety of some Englishmen who have to face competition is that the Government should be convinced that their own manufactures ought to be protected in a similar way, and the growth of this idea in favour of Protection I look upon with considerable misgivings.

It is due to the policy of Free Trade that we have reached our present industrial greatness. If the manufacturer of machinery wants his particular machinery protected so that he can get a higher price for it, it follows that those who require it have to pay more for it.

Let us take a case. It is admitted on all sides that one of the reasons why Americans can compete with us is that in many branches they show extraordinary skill and ingenuity in making machinery, and that in order to fight them on equal terms we must equip ourselves with similar weapons.

Is it not absurd to argue that to benefit a

few manufacturers of machinery here, we ought to impose an import duty on this American machinery and put up the price against ourselves?

This is an aside for my purpose. Yet any remarks on America would be incomplete without a reference to it, however short and scanty that reference may be.

New York is most impressive with its magnificent Docks, its long streets and elevated railways, gigantic buildings and teeming cosmopolitan population. It is a most imposing spectacle.

I can perhaps hardly do better than limit my remarks on the subject of the City to my experience of it during the first few days of my arrival, although I must candidly admit that I saw very little more than the four walls of my hotel where I was kept a close prisoner by a deluge of visitors and appointments.

My engagement list was full—morning, noon, and night—and many and various were those whom I had the pleasure of meeting.

One of the most striking personalities was Mr. Pierpont Morgan, well known as an influential magnate and a yachting enthusiast

also. I need hardly say that my conversation with him was not on the subject of yachting—and it was a great pleasure to me to meet one of such singular acuteness with such wide grasp of affairs and of such extraordinarily daring financial resource.

Another was Mr. Hill, a railway magnate who controls many thousand of miles of railroad, and who, having worked himself up from a humble position, has distinguished himself by his marked genius and ability for administration and finance. He is now one of the leading and most influential men in the United States of America.

From interviews with such gentlemen as these I can well understand how their industry and abilities, energy and pluck, lead to positions of influence and wealth.

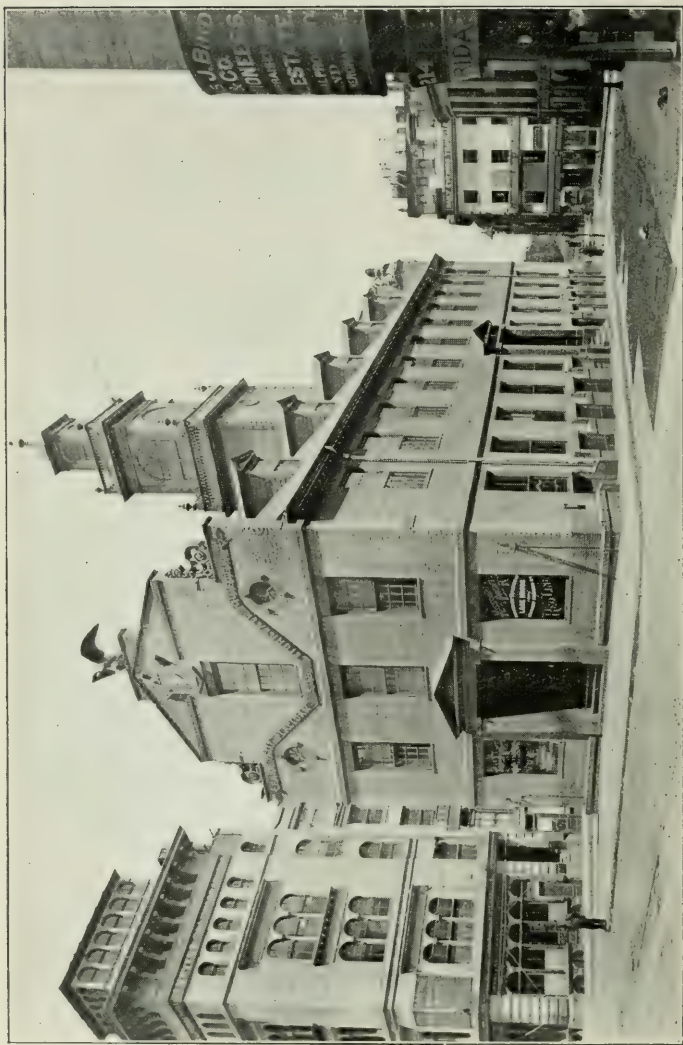
I have met a number of my own countrymen who do not like the American personally. They have an impression that he is boastful, arrogant and self-assertive, inordinately satisfied with himself and his country. Well, I do not doubt that at first sight, and in some cases this does appear to be so. In fact, the American, like a good many Englishmen and

men all the world over, has the defects of his good qualities.

The restless energy, daring and push that he devotes with such good purpose to his business does not contribute to make him a smooth, easy-going companion for idle hours, but I have found that he is full of information, and from him one invariably hears something worth remembering. He concentrates himself on his work, whatever it may be, and he knows it well.

New York has its seamy side. The corruption of its Municipal Government has until now been a bye-word, but thanks to the courage and genius of the President, formerly Governor of New York—I mean Mr. Theodore Roosevelt—there seems to be a prospect of radical improvement in this respect.

This corruption was due to the remarkable organisation of Tammany Hall—a clique of men who bound themselves together and by bribery and fraud secured the controlling influence in the government of that city, shamelessly sold the various offices to their followers, and the contracts for improvements to the highest bidders.



OLD STATE HOUSE, BOSTON.

If time permitted I should have been glad to have said a few words concerning the two chief political parties, Democrats and Republicans, both of which possess an organization of the most marked efficiency and discipline.

But I must pass on to the next point of my journey, the magnificent city of Boston, memorable in the history of the United States as being the theatre of the commencement of the War of Independence, because, as you know, it was in the harbour of this city that the match was finally applied to the gunpowder, when, as a protest against the Tea Duties imposed by the Government at home, several vessels arriving at Boston were attacked and their cargoes thrown into the sea.

The foreign commerce for the port of Boston during 1900 amounted to \$192,000,000, or £38,400,000 sterling.

The influence upon the export trade of the port by the withdrawals of steamers from the regular lines for use as transports by the British Government is shown by the circumstance that for the twelve months ending August 31st, there was a loss in the volume of exports approximating to 29 million dollars. These

figures also give an idea of the importance of our own carrying trade.

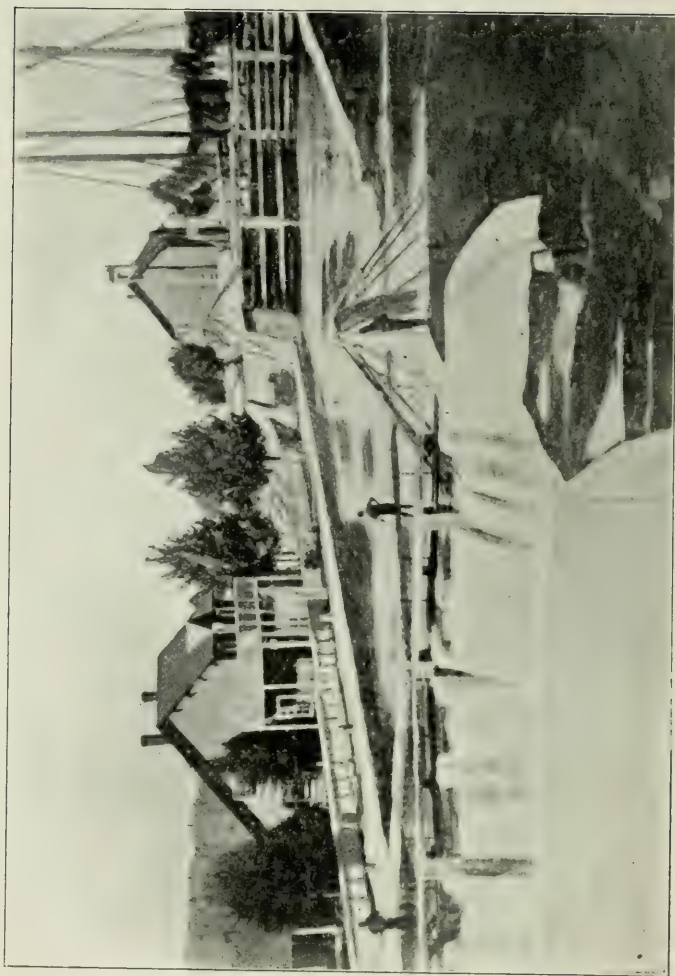
A big factor affecting the import trade is the American Subsidy Bill now being considered by Congress. This Bill provides bounties for building and running American steamers.

I was very much struck with the extraordinary electrical tramway system, which has reached a high state of perfection as regards speed accommodation and the conveyance of passengers.

Specially to be mentioned is a subway used in certain parts of the town, the trams descending in one street and coming to the surface in another. In this subway, which is in the principal street of the town, there is a central station. This has been found necessary owing to the enormous number of passengers, and for the first eleven months this subway was in use no fewer than fifty million people passed through it.

Great confusion ensued at first through passengers not being able to find their trains, and so indicators were brought into use.

One indicator is placed at each end of the platform. Both are electrically connected with an elevated observation stand, in which is



THE OLD LOCH (SAULT STE. MARIE).

stationed an official, who, seeing the cars before they arrive at the platform, determines on and announces the indicators the berths which they will occupy.

On the indicators are the names of all routes arranged in columns and grouped according to localities. At one side of the name of each route is a set of five pigeon holes each containing an incandescent lamp which, when lighted, displays a figure from 1 to 8.

The passenger has merely to watch the line on the indicator on which his route is displayed, and when he sees a number lighted opposite that route he goes to the berth indicated and is ready to take the car on its arrival.

On leaving this city we entered British territory by crossing the Canadian Frontier, and arrived safely in the city of Montreal.

Here again we found a similar complaint to that of Boston, where a continuance of the war has deprived the port of Montreal of its largest regular line of steamers, another proof of the necessity to the ports of the world of our Mercantile Marine.

In two of the lines running to this port I am largely interested, and many of the steamers

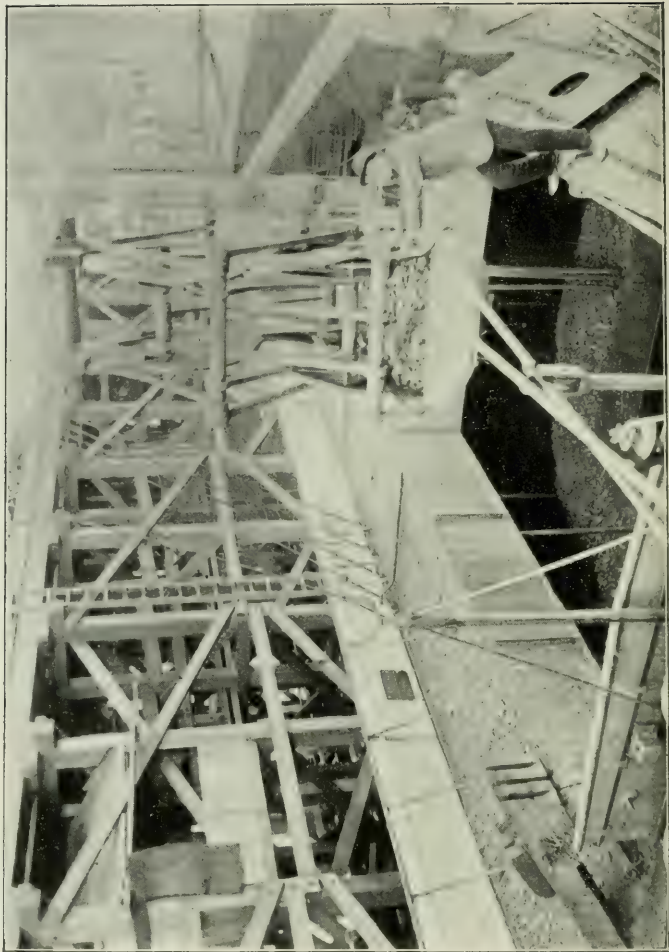
employed in its trade have been built and engined at the Hartlepoons.

Montreal is the chief commercial city of Canada, and the principal port of entry. It is built upon a series of terraces, and is over four miles long and two miles broad. It has a picturesque back-ground in Mount Royal, from which it takes its name. The buildings are exceedingly handsome.

There are five miles of wharves, and alongside these the largest ocean-going steamers may be moored.

It is the central point of the great and wonderful railway system of Canada, and this district is the most important manufacturing centre of the dominion.

I am sorry that the time at my disposal will not permit me to enter into a more minute description of the various cities visited, and I should especially have liked to dwell upon the beauties of this city whose people, as you know, have played so important a part with us in the South African War, and of whose loyalty we are all so justly proud. It was here that I had the great pleasure of meeting Lord Strathcona, who, by his abilities, has risen to



SIDNEY: HOLD OF STEAMER SHOWING GRAB READY TO DROP COAL.

a position of great eminence and influence, and whose services to the dominion cannot be estimated too highly.

From Montreal I travelled to Sydney, Cape Breton, a journey of about 1,000 miles, which took me 36 hours, and to which I referred at considerable length in a letter that appeared in the press.

A ten hours' journey from Sydney brought me to Halifax, where I inspected the docks and various points of commercial interest.

It is a flourishing city, and was the starting point on the homeward journey of the Duke and Duchess of York after the tour which has been the means of strengthening the bonds of affection and brotherhood existing between the colonies and the mother country.

I went on to Quebec, a journey of 21 hours.

It is an interesting and picturesque city. To the British mind, perhaps, the most notable fact connected with Quebec is that it was the scene of the great conflict between Wolfe and Montcalm, the issue of which practically left Canada as British territory.

Quebec is divided into an upper and lower town, the former containing very fine theatre

buildings. The Dufferin Terrace is a beautiful promenade at an altitude of 1,200 to 1,400 feet, and commanding a magnificent view of the St. Lawrence.

We all mourn the death of the brilliant, witty, tactful, and able diplomatist, Lord Dufferin, after whom the Terrace was named, so beloved as Governor-General of Canada. He was a true and faithful servant of his country, and well deserved the honours bestowed upon him by his Sovereign. In Quebec I found great improvements, and had the pleasure of meeting the Harbour Commissioners and many influential residents of the town, who were good enough to invite me to take a trip up the river in a specially chartered steamer.

We visited the site of the New Bridge across the St. Lawrence River, the cost of which will be about 5,000 dollars.

From the river a very good view is obtained of Montmorency Falls.

From here I proceeded to the Sault, *via* Montreal, at which point the Directors of the Canadian Pacific Railroad took charge of me.



MAP OF LAKES.

The Sault is so important that I spent some time thoroughly examining the works and marvellous power houses.

In order to explain the position of the Sault I must take you back for a moment to the geographical position.

On the south-east corner of Lake Superior, slightly north of the straits connecting this lake with Lake Huron on the south-east, these two places lie—one called Sault Sainte Marie (Ontario) on the Canadian side, and one Sault Sainte Marie (Michigan) on the American side.

Some American capitalists commissioned a gentleman to prospect from Cape Breton on the east to the Pacific on the west for the best place at which to utilize the water power. He landed at Lake Superior and after exhaustive experiments various works were established.

Permit me to draw attention to the great importance of the latent water power of the Lakes to both Canada and the States, which is now being so successfully exploited by American engineers.

We were conducted over the Algoma Central Railroad, which is still in its infancy. Only

fifty miles have been constructed, but this presented enormous difficulties. In some parts solid rock has been sawn through, and in others, steep embankments have been raised; long and high trestle bridges have been erected running over steep ravines.

On either side are immense forests of timber, extending inland from the shore of the Lake, and consisting of pine, beech and maple.

This railroad is being pushed forward rapidly and will extend to the Hudson Bay, 500 miles distant.

The commerce on the Lakes is enormous, and millions of dollars worth of coal, flour, wheat, iron, ore and wood are carried through the Sault Lochs, through which eight large steamers can be locked at one time; in fact, more actual tonnage is cleared than through the Suez Canal. This will give you an idea of the immense power which have been developed.

From the Sault, I re-visited Chicago after an absence of many years.

On leaving Chicago, I started on one of the most interesting journeys it is possible to take,



MARKET STREET (SAN FRANCISCO).

viz., from the metropolis of the West—as Chicago is called—across the Continent to San Francisco.

Those of us who are apt to think a journey from London to Glasgow, or Inverness, a somewhat tedious journey will agree that three days' continuous travelling without getting out of the train, is a somewhat arduous undertaking. But the trains in America are fitted up for these long journeys, and on many of the lines everything is provided for the convenience of the traveller; in fact, those running the three days' journey have a library and hairdresser's shop.

The first two days do not present anything of special interest, as unfortunately the spur of the Rocky Mountains is crossed at night.

We skirted a point about twenty miles from Salt Lake City.

On the third day, the Sierra Nevada mountains are crossed. The tedious ascent of the mountains is passed only too rapidly in enjoyment of the magnificent scenery of deep valleys, wooded mountain slopes, towering cliffs, and serrated peaks glistening in the

clear crisp air. Every turn and winding of the train reveals fresh surprises in yawning depths and lofty summits. A glorious panorama is unfolded as the train proceeds on its upward course.

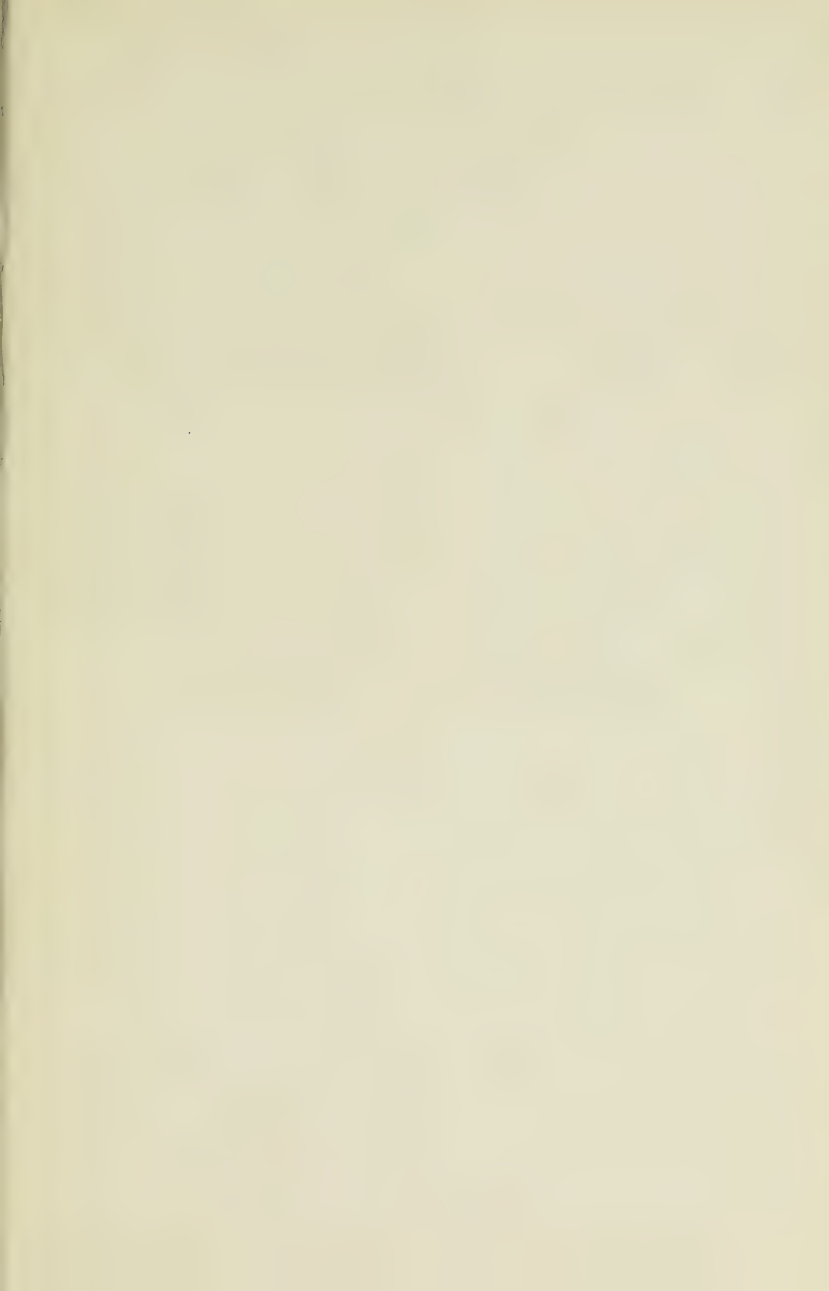
At a height of 7,000 feet the train passes through forty miles of sheds which protect the lines from being obstructed by the snow.

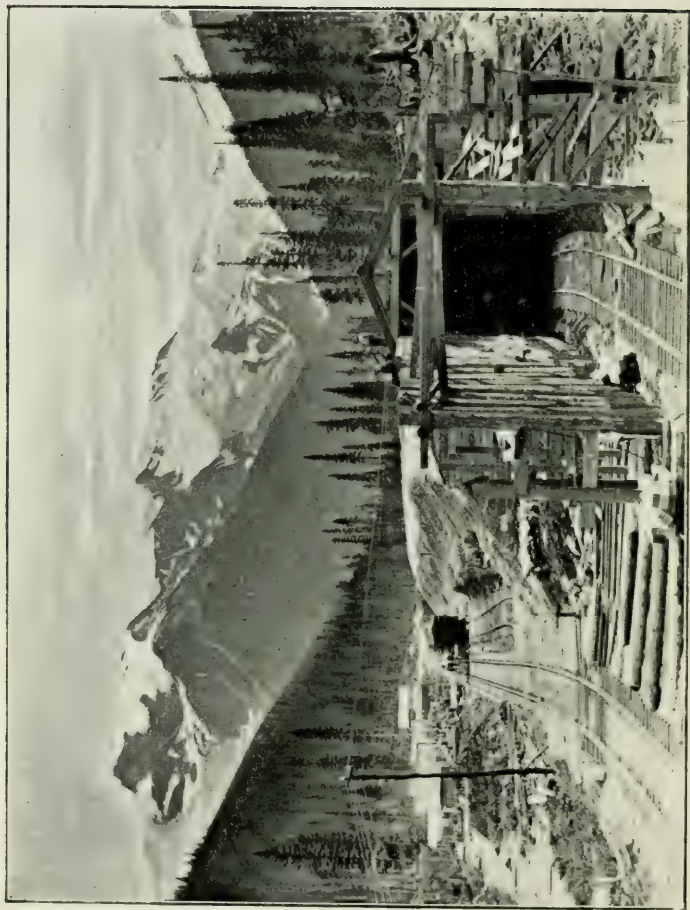
Before arriving at San Francisco, the fertile valley of the Sacramento must be traversed, and it is difficult to imagine anything surpassing this region in the extent of its wheat fields and fruit orchards.

On the evening of the third day, a stop is made at Oakland, where travellers for San Francisco have to board a ferry—the largest in the world—which crosses to San Francisco. This is unquestionably one of the rising cities on the Pacific Coast, and has a great future before it.

It is beautifully situated, overlooking a fine bay on to the distant outline of the Sierra Nevada peaks, and on the other side to the mighty Pacific Ocean.

It is the largest commercial city on the Pacific Coast. The entrance is by the Golden





SNOW SHEDS (*en route* CHICAGO TO SAN FRANCISCO).
By permission of Mr. E. G. Wood.

Gate into an extensive bay, again leading into inland waterways.

Here a Chinese Quarter exists, called Chinatown, and the Settlement presents some extraordinary sights.

Being the Gateway to the Orient it possesses importance on account of the relations which now exist between the United States and the Philippines, and the increased volume of trade which must result and prove of great permanent benefit to the commercial welfare of the city.

In passing through the southern part of California I visited many of the larger ranches, and gathered that in many instances they do not pay the holders.

California is a wonderful State. Its salubrious climate and beautiful scenery tend to make it one of the most delightful parts of America.

It extends over nearly 160,000 square miles territory, $33\frac{1}{2}$ million acres of which is arable land. It has a coast line of nearly 800 miles, or nearly one quarter of the distance from Southampton to New York.

Gold, silver, quicksilver, coal and petroleum

are found in abundance, whilst nearly every variety of grain is produced.

Vast herds of cattle feed on the mountain slopes, and wool growing is an important industry.

Thousands of acres of land are utilized in the production of sugar beet, which industry was initiated by Government experts.

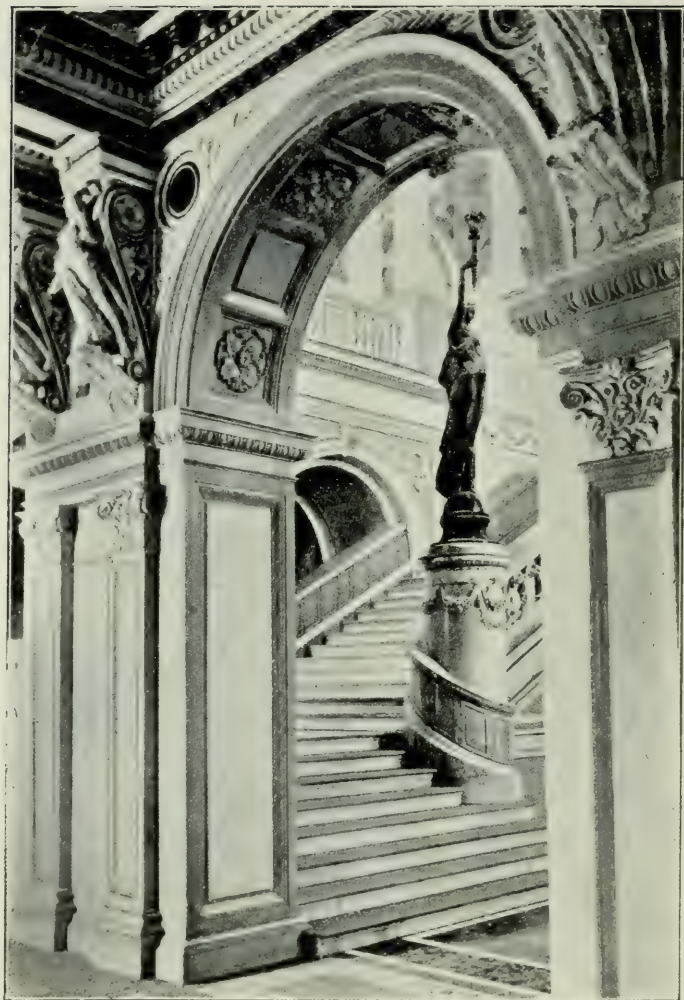
After this I continued my journey south.

On the fourth day the train travels through the Cotton and Petroleum Districts. At Beaumont the Petroleum Industry flourishes vigorously.

From this district to the famous old town of New Orleans, popularly called the Venice of America, is but a few hours' journey. In this city I spent two days and visited the river Mississippi, also many points of interest, amongst them a sugar mill, where the operations were most instructive.

From New Orleans I proceeded to Washington, the capital of the United States, and which justified any praise given to it. It has been aptly termed the city of magnificent distances.

Congress Hall is naturally very interesting



STAIRCASE, LIBRARY OF CONGRESS (WASHINGTON).

to an English Member of Parliament. Whereas the House of Commons is too small—I refer to the term House in its technical sense—the Hall in which Congress sits is too large and must be very difficult to speak in and to hear in. It is said to hold 2,600 people.

The seats for Members are arm-chairs, desks, with lid for each, being arranged in a semi-circle around the marble erection corresponding to our Speaker's Chair. In England we like to face our opponent across the floor, speak to his face and not to the back of his neck.

These desks must be very useful, but they give rise to a perpetual banging noise, through being opened or shut by their owners, all over the House. They seem to give Members a splendid opportunity of getting through what must be a stupendous correspondence if they are favoured in this respect as their English brethren of the House of Commons.

From Washington I went to Newport News, Virginia, the shipping terminus of the great Chesapeake and Ohio Railroad Company.

From Newport News I proceeded on my

return journey, *via* Philadelphia, one of the most historic seats of the States, with which the names of William Penn and Benjamin Franklin are so intimately associated.

If you remember, it was here that the famous Declaration of Independence was accepted, and the view shown you is of the Hall in which the important Congress of the Thirteen States took place.

I might say in passing that the plainness of this Hall gives no indication of the present greatness of the mighty American Nation.

And now, ladies and gentlemen, having traversed, as I have done, the great American Continent, after hard and continuous travelling for three months, you may well ask, "What is the sum of these varied experiences?"

During my visit I was brought into contact with some of the most brilliant and influential commercial men of America. I had exceptional facilities for observing the various methods and appliances which have raised American Commerce to its present high state of efficiency.

Did my observations produce feelings of discouragement or despair, or did they lead me





LOADING TANK CARS.

By permission of Mr. E. G. Wood.

still to hope for the future of our own country?

No one can fail to be impressed by a visit to such a mighty and enterprising nation; no one can refrain from admiring the marvellous strides made along the path of progress. The immense natural resources of America, its compact territory, and the vast tracts of undeveloped country provide a means of expansion for very many years to come.

These natural advantages, combined with the energy and intellectual acumen of its people, point to still more marvellous development in the future—a development in many respects with which England can hardly hope to compete.

But whilst admitting all this, I think we may go home to-night feeling that, although in point of natural resources, we cannot rival that mighty Nation, we can and will compete, and compete successfully, in all that pertains to energy and enterprise.

The qualities which have raised the English to a foremost position amongst the nations of the world—these qualities which have been the glorious heritage of generations—are still with

us, and my recent experiences in America do but confirm that view, for even there your countrymen and mine occupy responsible posts in the various industries, and given equal opportunities, have proved by their successes that they still possess the sterling qualities of their forefathers.

After seeing all that I have seen in America, I am not disheartened or depressed. On the contrary, I feel more than ever that the duty of Englishmen—rather than waste valuable time in fearful contemplation of what may be—is by increased alertness and activity to seize every opportunity to perfect our methods, so that we may not only retain the position we at present occupy, but carry the war into the enemy's camp.

The natural resources of these sea-girt isles may not vie with those of the United States ; but let this go forth :—

THAT WE HAVE LANDS BEYOND THE SEAS,
TERRITORIES VASTLY GREATER THAN THEIRS, AND
NOT LESS RICH ; OUR HIGHWAY IS UPON THE
OPEN SEA ;

and, if we so develop our colonies as to hold



THE SEAL ROCKS, SAN FRANCISCO.

them to the Motherland, even as the compass is held to the Pole, then I give it as my deliberate opinion, that neither because of America nor any other Nation need we fear that the future will add anything but greatness to our country's glorious past.

As Tennyson wrote :

“ We’ve sailed wherever ship could sail,
We’ve founded many a mighty State ;
Pray God our greatness may not fail,
Thro’ craven fear of being great.”



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Author Furness, (Sir) Christopher

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